

Message Text

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SUBJECT: U.S. BUSINESS VISITORS IN FEBRUARY

REF: (A) PEKING 300 (B) PEKING 292, (C) PEKING 283

SUMMARY. BUSINESS ACTIVITY PICKED UP SHARPLY DURING FEBRUARY AS A WIDE RANGE OF AMERICAN BUSINESSMEN VISITED PEKING. IN ADDITION TO THE PREVIOUSLY REPORTED VISITS BY GULF AND MOBILE OIL (REF A), GREAT ADVENTURE (REF B) AND UNIVERSAL OIL PRODUCTS (REF C), HONEYWELL CONDUCTED A SEMINAR AS A PRELIMINARY TO ATTEMPTING TO SELL TECHNOLOGY OR MANUFACTURING FACILITIES FOR INDUSTRIAL CONTROL EQUIPMENT. 3M TALKED TO SINOCHAM ABOUT USING U.S. TECHNOLOGY FOR THE PRODUCTION OF HEPARIN, WITH 3M TO BE COMPENSATED FOR THE TECHNOLOGY WITH A PERCENTAGE OF PLANT OUTPUT. UNISTRANG CORP. INITIATED NEGOTIATIONS FOR THE SALE OF NUMERICALLY CONTROLLED MACHINE TOOLS AND WILL BE SEEKING AN EXPORT LICENSE. THE PLAINS COTTON ASSOCIATION IS ATTEMPTING TO RECOVER A CLAIM FOR COTTON STORAGE FROM CHINATEX. BAKER TRADING COMPANY IS AGAIN DISCUSSING SALES OF OILFIELD EQUIPMENT TO MACHIMPEX.

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ON THE IMPORT SIDE, AMICALE INDUSTRIES WAS HERE TO

UY YARN AND DRAGON LADY IMPORTS WAS IN PEKING PLACING
RDERS FOR TEXTILE DELIVERIES IN 1977. DRAGON LADY
RESIDENT YHAP IS TALKING WITH CHINATEX ABOUT THE
ROWING LIKLIHOOD OF U.S. QUOTAS ON PRC TEXTILES. A
NUMBER OF IMPORTERS VISITED PEKING AND TIENTSIN IN
CONNECTION WITH THE TIENTSIN CARPET FAIR. END SUMMARY.

1. HONEYWELL INC. JAMES BINGER AND TWO ASSOCIATES
VISITED PEKING FEB. 16-19 TO PRESENT A TECHNICAL SEMINAR
UNDER SPONSORSHIP OF THE TECHNICAL EXCHANGE DEPARTMENT
OF CCPIT. THE SEMINAR CONCERNED HONEYWELL INDUSTRIAL
CONTROLS (METERS, ETC.) SUCH AS THOSE THE FIRM SUPPLIED
FOR M.W. KELLOGG AMMONIA PLANTS. BINGER ALSO HAD
DIRECT TALKS WITH MACHIMPEX ON VARIOUS PRODUCTS
PRODUCED BY HIS FIRM. NO COMMERCIAL DISCUSSIONS
WERE CONNECTED WITH THE SEMINAR AND THE VISIT WAS
GENERALLY INTRODUCTORY. HONEYWELL NOW PLANS TO SUBMIT
A PROPOSAL TO TECHIMPORT AND MACHIMPEX ON SALE OF
TECHNOLOGY OR A MANUFACTURING FACILITY TO PRODUCE ONE
TYPE OF INDUSTRIAL CONTROL EQUIPMENT.

2. 3M. JOHN MARSHALL OF 3M AND MARVIN MARGOLIES OF
RIKER LABORATORIES INC., A 3M SUBSIDIARY, VISITED PEKING
IN EARLY FEBRUARY FOR TALKS WITH SINOCEM. 3M WANTS
TO SELL THEIR TECHNOLOGY FOR PRODUCTION OF HEPARIN, AN
ANTI-COAGULATE EXTRACTED FROM THE MUCOUS MEMBRANE OF
HOG INTESTINES. IN RETURN FOR SUPPLYING THE TECHNOLOGY,
3M WOULD LIKE THE OPTION TO PURCHASE UP TO 30 PCT OF
PRC PRODUCTION. SOBIN CHEMICALS ACTS AS AGENTS FOR 3M
IN CHINA, AND THE 3M TEAM WAS ACCOMPANIED BY SOBIN
REPRESENTATIVE LACHLAN MACLEAN.

3. SOBIN CHEMICAL INC. (BOSTON). LACHLAN MACLEAN
VISITED PEKING WITH 3M. HE ALSO RECEIVED A SEPARATE
INVITATION TO THE PHARMACEUTICALS MINI-FAIR IN SHANGHAI
AND ENGAGED IN NEGOTIATIONS WITH NATIVE BY-PRODUCTS
CORPORATION CONCERNING QUALITY PROBLEMS SOVIN HAD WITH
A SHIPMENT OF LICORICE POWDER.

4. HERCULES FAR EAST (A DIVISION OF HERCULES OF WIL-
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MINGTON, DELAWARE). M.R. WILLIAMSON VISITED PEKING
AND CANTON TO PURCHASE GUM ROSIN AND OTHER NAVAL
STORES. WILLIAMSON ALSO TRIED TO SELL CHEMICALS TO
THE PRC, BUT WAS NOT SUCCESSFUL.

5. SUNDSTRAND CORPORATION. ACCOMPANIED BY REPRESENTA-
TIVE OF THE EAST ASIATIC COMPANY, THOMAS SHIFO, RICHARD
STANK AND BOB TILSON OF THE SUNDSTRAND MACHINE TOOL

DIVISION VISITED PEKING FROM FEBRUARY 3-10, HAVING BEEN INVITED FOR COMMERCIAL DISCUSSIONS WITH TECHIMPORT. AFTER BEING BRIEFED ON A WIDE RANGE OF SUNDSTRAND MACHINE TOOLS, TECHIMPORT REPS EXPRESSED INTEREST ONLY IN THE LATEST, NUMERICALLY CONTROLLED MODEL. AT THIS POINT, SUNDSTRAND HALTED THE NEGOTIATIONS UNTIL A DECISION COULD BE SECURED ON AN EXPORT LICENSE. A TECHIMPORT LETTER OF INTENT TO BUY CONTAINING THE NECESSARY END-USE INFORMATION WAS DELIVERED TO SUNDSTRAND REPS AT THE AIRPORT ON THEIR DEPARTURE.

6. BAKER TRADING COMPANY (HOUSTON). STAN MILLS HAS RETURNED TO PEKING FOR DISCUSSIONS WITH MACHIMPEX ON THE SALE OF A SUBSTANTIAL AMOUNT OF OILFIELD EQUIPMENT. BAKER PRESIDENT JAY PACE WILL ALSO BE RETURNING TO PEKING NEXT MONTH TO NEGOTIATE SEPARATE CONTRACT.

7. PLAINS COTTON COOPERATIVE ASSOCIATION (LUBBOCK, TEXAS), HENRY C. PATTON SPENT THE LATTER HALF OF FEBRUARY IN PEKING AND SHANGHAI WITHOUT REACHING AGREEMENT WITH SINOTEX ON THE \$2.5 MILLION THE ASSOCIATION CLAIMS FOR STORAGE CHARGES RESULTING FROM LATE SHIPMENT OF COTTON BY THE PRC DURING 1975. NEGOTIATIONS ARE CENTERED ON THE APPROPRIATE OVERPRICE TO BE PAID ON A NEW SHIPMENT OF COTTON IN 1976 AND 1977.

8. K. KATEN AND CO., INC. (NEW YORK). ALFRED KATEN VISITED PEKING TO BUY SWATOW DRAWN WORK AND OTHER TABLECLOTHS AND MATS. KATEN FORMERLY HAD OFFICES IN SWATOW AND SHANGHAI AND HOPES TO RESUME A TRADE INTERRUPTED FOR OVER 30 YEARS.

9. BILL BEATON AND MIKE WEINSTEIN OF HAROLD ROBBINS AND CO. OF LIMITED OFFICIAL USE

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NEW YORK HAVE RETURNED TO BUY MORE SWEATERS, EVEN THOUGH THOSE ORDERED IN SEPTEMBER HAVE NOT YET BEEN DELIVERED.

10. DRAGON LADY IMPORTS (NEW YORK). VERONICA YHAP ARRIVED IN PEKING AT THE END OF FEBRUARY TO PLACE TEXTILE ORDERS WITH CHINATEX. YHAP SAID THAT CHINATEX IS NO LONGER TAKING ORDERS FOR 1976 DELIVERY, ALTHOUGH SHE WAS TOLD THAT A "QUOTA" HAD BEEN RESERVED FOR SALE AT THE SPRING CANTON FAIR. YHAP WILL PROBABLY BOOK SUBSTANTIAL ORDERS FOR DELIVERY IN 1977, ALTHOUGH THE PRC PRICE HAS RISEN 15 PCNT. IN HER CAPACITY AS MEMBER OF THE NCUSCT'S TEXTILE COMMITTEE, YHAP IS ALSO TALKING WITH CHINATEX ON POSSIBLE ACTION IN RESPONSE TO PRESSURE BY US TEXTILE MANUFACTURERS FOR RESTRAINTS ON IMPORT OF PRC TEXTILES.

11. AMICLAE INDUSTRIES, INC. (NEW YORK). MR.BORIS SCHLOMM, PRESIDENT OF A.I., WAS HERE AS A RESULT OF AN EXPLICIT AND PRESSING INVITATION ISSUED BY HAN PIAO DURING THE NATIVE PRODUCTS' DELEGATION TO AMICALE'S FACTORIES IN OCTOBER. SHLOMM IS ACCUSTOMED TO DOING BUSINESS IN CANTON AND NOT ENTHUSIASTIC ABOUT DOING BUSINESS BETWEEN THE FAIRS, ESPECIALLY IF IT MEANS LOSING THE DISCOUNT NORMALLY GIVEN TO FAIR-GOERS IN HIS LINE (CAMEL HAIR, ANGORA, AND CASHMERE YARNS USED FOR MANUFACTURE IN THE STATES.). HIS ENTHUSIASM WAS FURHTER DIMINISHED WHEN HE RECEIVED AN UNSOLICITED CABLE RAISING PRICES 5 PCNT JUST BEFORE HE LEFT THE STATES.

12. A NUMBER OF IMPORTERS VISITED TIENTSIN AND PEKING IN THE LATTER HALF OF FEBRUARY IN CONNECTIONS WITH THE TIENTSIN CARPET FAIR, FREQUENTLY DOING ADDITIONAL BUSINESS IN OTHER TRADITIONAL ARTS AND CRAFTS AREAS (JADE, BASKETRY, ETC.). AMONG THESE FIRMS WERE MILL VALLEY TRADING COMPANY (MILL VALLEY, CALIF.), REPS HERB NEWMAN AND BOB BLATH; INTERNATIONAL CORPORATION OF AMERICA (WASHINGTON, D.C.), PRESIDENT C.J. WANG, WHO SIGNED CONTRACTS FOR \$100,000 WORTH OF RUGS FOR EACH OF TWO PRINCIPALS IN THE US; BELLANCA WEST, INC. (VAN NUYS, CALIF.), W.A. HOLLAND; AND WESTON'S (DALLAS), EUGENE WESTON, IDC MARKETING'S (WASHINGTON D.C.) PAUL SPELTZ, LON SHANKS LIMITED OFFICIAL USE

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AND JAMES CHEN, REPRESENTING A VARIETY OF CLINETS, ARRIVED AT THE END OF FEBRUARY FOR AN EXTENDED STAY. CHARLES ROSTOV, OF TRANS OCEAN IMPORT CO., INC. OF NEW YORK, HAD THE UNUSUAL EXPERIENCE OF BEING TOLD THAT THE FACTORY HAD REFUSED TO MAKE THE RUGS HE HAD DESIGNED AND ORDERED.

13. THIS MESSAGE CONTAINS COMMERCIALLY SENSITIVE INFORMATION AND SHOULD NOT BE DISCUSSED OUTSIDE OF THE USG.
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